



COMPREHENSIVE LIST OF ALL TAX HIKES
IN THE BAUCUS FINANCE COMMITTEE DRAFT

September 16, 2009

- **Individual Mandate Tax.** If you don't sign up for health insurance, you will have to pay a tax in the following range:

	Single	Family
100-300% FPL	\$750	\$1500
300+% FPL	\$900	\$3800

- **Employer Mandate Tax.** \$400 per employee if health coverage is not offered. *Note: this is a huge incentive to drop coverage, as \$400 is much less than the average plan cost of \$11,000 for families or \$5000 for singles* (Source: AHIP)
- **Backdoor Death of HSAs.** By requiring that all plans (besides the few that are grandfathered) provided first-dollar coverage for most services, there would be no HSA-qualifying plans available from the Massachusetts-like exchanges
- **Excise Tax on High-Cost Health Plans.** New 35% excise tax on health insurance plans to the extent they exceed \$21000 in cost (\$8000 single)
- **Report Employer Health Spending on W-2.** This is clearly a setup for the easy individual taxation of employer-provided health insurance down the road.
- **Cap Flex-Spending Account (FSA) Contributions at \$2000.** Currently unlimited.
- **Eliminate tax deduction for employer-provided retirement Rx drug coverage in coordination with Medicare Part D**
- **Medicine Cabinet Tax.** Americans would no longer be able to purchase over-the-counter medicines with their FSA, HSA, or HRA
- **Increase Non-Qualified HSA Distribution Penalty from 10% to 20%.** This makes HSAs less attractive, and paves the way for HSA pre-verification
- **Corporate 1099-MISC Information Reporting.** Currently, only non-corporations providing property or services for a business must be issued at 1099-MISC. This would expand the requirement to corporations doing business with other businesses. The amount of reporting needed for an average business would be huge. Paves the way for full information reporting to the IRS.
- **Various industry tax grabs based on market share.** \$2.3 billion PhRMA; \$6 billion health insurance providers; \$750 million clinical labs; \$4 billion medical device manufacturers

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